

**Prepared Statement**

**of**

**Dr. Curtis Gilroy, Director for Accession Policy**  
**Office of the Under Secretary of Defense for Personnel & Readiness**

**Before the**

**House Armed Services Personnel Subcommittee**

**“Recruiting, Retention, and End Strength Overview”**

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**NOT FOR PUBLICATION**  
**UNTIL RELEASED BY THE COMMITTEE**

## **MILITARY PERSONNEL POLICIES**

Madam Chairwoman and members of this distinguished Subcommittee, thank you for the opportunity to be here today to review with you the current status of military recruiting and retention. The state of recruiting and retention is good, especially in light of the challenges the Services have faced in recent years. The Services and the Department have carefully monitored these challenges and, with this Subcommittee's help, have taken measures to resolve them. Specifically, the Services and the Office of the Secretary of Defense (OSD) together have reviewed recruiting and retention programs and compensation packages to ensure they are appropriate to meet the needs of our force and our Service members. We work jointly in many areas to take full advantage of the strength that comes from combining resources, knowledge, and research done over the years to address recruiting and retention issues.

The success of our All-Volunteer Force begins with recruiting, and its viability is ensured with successful retention. Since the horrific events on September 11, 2001, our Military Services have been in a prolonged, worldwide irregular campaign. We have been recruiting and retaining our military during this period of protracted combat and, thus far, have met the challenge during these crucial times. Some years have been easier than others and, during the more challenging times, the Congress, and in particular this Subcommittee, has provided authorities and resources to ensure both recruiting and retention success. For these, we are very grateful.

Decisions about authorities and funding for the next fiscal year matter a great deal to our Service members who volunteer to serve our Nation. I am happy to be here to discuss programs that we consider important to sustain our volunteer military in meeting our national security requirements, and to personally thank this Subcommittee for its unfailing support for our All-Volunteer Force.

### ***Active Duty Recruiting.***

After more than five years of the most challenging recruiting environment since the inception of the All-Volunteer Force, the Department of Defense is in the midst of reviewing the impact of today's economy on this important program. Unemployment is rising and economic uncertainty permeates the nation. Generally, times like this make recruiting less challenging, and

a regrettable trend in national unemployment operates to the advantage of those who are hiring, including the U.S. military.

However, the economic downturn is not the only factor affecting recruiting. On the negative side, there continue to be other factors that significantly impact our ability to attract bright, young Americans into the Armed Forces – the lower likelihood of influencers of youth (e.g., parents and teachers) to recommend service, the lower interest in service among youth themselves, higher numbers of youth going to college directly from high school, and the continuing concerns about the prolonged worldwide, irregular campaign with its concomitant high operations tempo. We are in uncharted waters – with significant factors, both negative and positive, directly affecting military recruiting. As a result, the Department and the Services are reviewing their recruiting programs to align funding with current realities. Whatever realignments are undertaken, they will be done carefully and their effects closely monitored.

This Subcommittee has been a stalwart supporter of our recruiting efforts for many years, offering support for new and innovative incentive programs, and always ensuring that recruiting is adequately funded. We commit to working closely with you and your staffs as we re-evaluate these programs and their associated resources so that, together, we can find the right balance of resources and programs to ensure that we man our Armed Forces with quality young Americans.

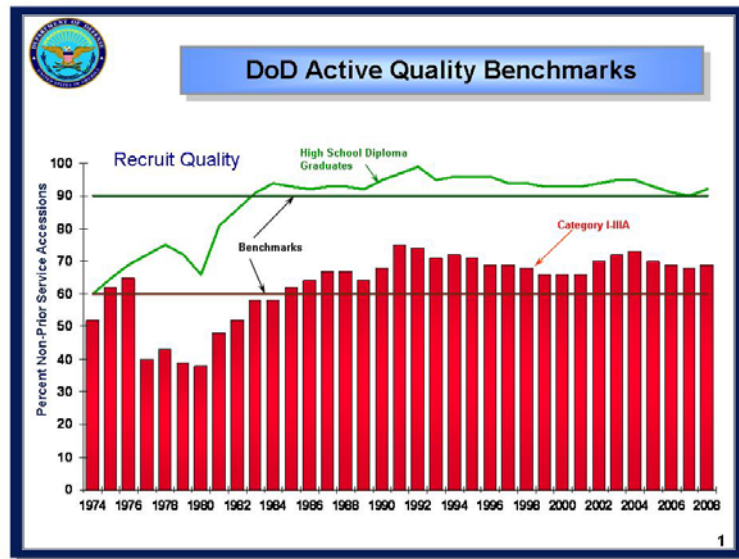
Fiscal Year 2008 was a successful year for active duty recruiting – with 172,103 first-term enlistees and an additional 12,738 individuals with previous military service – and the Services, together, exceeded their goal of 184,186 accessions by 655.

While meeting our quantitative goals is important, we also need to have the right mix of recruits – those who will complete their term of service, and perform successfully in both training and on the job. The “quality” of the accession cohort is critical, and we have long reported recruit quality along two dimensions – aptitude and educational attainment.

For over 20 years, the Services have met or exceeded the Department’s quality benchmarks for Active duty recruits (Figure 1). Although the Army missed its High School Diploma Graduate (HSDG) benchmark in 2008, DoD exceeded its overall goal: 92% of Active duty new recruits were high school diploma graduates, with virtually all others having an alternate credential (GED, etc.). The educational level of our recruits exceeded the national average in which only about 70% to 80% are high school graduates. In addition, DoD exceeded

its aptitude quality benchmark, with 69% of new Active recruits scoring in the top half of the Armed Forces Qualification Test (AFQT), well above the DoD benchmark of 60%.

**Figure 1. DoD Quality 1973-2008**



Fiscal Year 2009 active duty recruiting efforts are very good to date. Through January, all Services have met or exceeded numerical recruiting objectives for the active force, with the Army achieving 21,447 of its 20,300 recruiting goal, for a 106% year-to-date accomplishment (Table 1). Although the active Army is a little short of the HSDG goal – accessing 89% recruits with a high school diploma against the benchmark of 90% – last year at this time it was at 82%, and we fully expect the Army to achieve the DoD benchmark by the end of FY 2009.

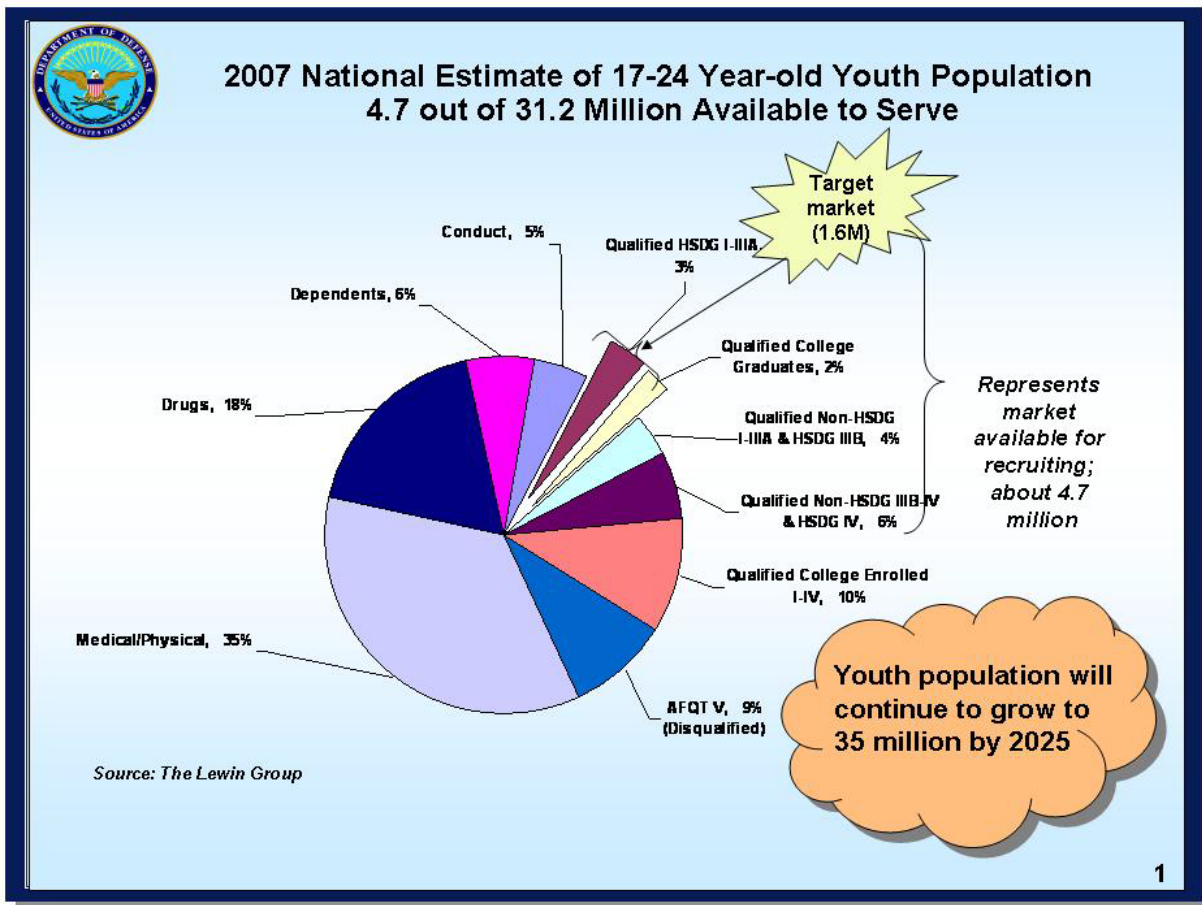
**Table 1. FY 2009 Active Duty Enlisted Recruiting Through January 2009**

AC Enlisted Recruiting Through January 2009	Quantity			Quality	
	Accessions	Goal	Percent of Goal	% High School Diploma Graduate (HSDG); <i>DoD Benchmark = 90 percent</i>	% Scoring at / above 50th Percentile on Armed Forces Qualification Test; <i>DoD Benchmark = 60 percent</i>
Army	21,447	20,300	<b>106%</b>	<b>89%</b>	<b>65%</b>
Navy	11,266	11,266	<b>100%</b>	<b>94%</b>	<b>74%</b>
Marine Corps	10,963	10,179	<b>108%</b>	<b>98%</b>	<b>69%</b>
Air Force	11,819	11,816	<b>100%</b>	<b>98%</b>	<b>78%</b>
DoD Total	55,495	53,561	<b>104%</b>	<b>94%</b>	<b>70%</b>

We should not lose sight of the fact that, although the overall youth population is large, a relatively small proportion of American youth is qualified to enlist. It is an unfortunate fact that much of the contemporary youth population is currently ineligible to serve. For example, about 35% are medically disqualified (with obesity a large contributing factor), 18% have problems with drugs or alcohol, 5% have some level of criminal misbehavior, 6% have more dependents than can reliably be accommodated in the early career, and 9% are in the lowest aptitude category (Figure 2). Another 10% are qualified, but are attending college. That leaves fewer than 5 million – or about 15% of the roughly 31 million youth ages 17-24 – who are available to recruit (25 percent including those in college).

Our recruiting success has not come easily. It has been the result of long hours and hard work by the 15,000 dedicated and professional, active-duty military recruiters. These recruiters often stand as the sole representative of our military forces in local communities, and they have the Department's most sincere respect and gratitude.

Figure 2. Qualified Military Available, 2007 Estimate



Late in this fiscal year, we will see the implementation of the Post-9/11 GI Bill, the most extensive restructuring of post-service education benefits since introduction of the original World War II GI Bill. As I am sure you are aware, the current post-service education program, the Montgomery GI Bill (MGIB), has been a cornerstone of our active duty military recruiting efforts since 1985. There is little doubt that the MGIB has met or even exceeded the expectations of its sponsors when it was enacted, and has been a major contributor to the success of the All-Volunteer Force.

This new Post-9/11 GI Bill should enhance our recruiting efforts significantly. However, we remain cautious about the impact of such a generous benefit on retention, particularly first-term retention. We hope that the provision in the new program that allows career Service members to share or transfer their GI Bill with immediate family members, long requested by both members and their families, will mitigate any negative retention impacts. We will be

monitoring the effects of this implementation very closely

The authority you provided in Fiscal Year 2006, allowing the Army to test innovative marketing and incentive programs in support of recruiting efforts not otherwise permitted in law, expires this year. We hope to work with you to extend and expand this initiative to the other Services for the purpose of addressing the continuing challenges in this uncharted recruiting and retention environment.

### ***Active Duty Retention.***

Retention programs help shape the force to ensure we have the right numbers and mix of active duty personnel with the right experience. This fact remains true as each of the Services face differing challenges in restructuring their forces. We thank you for providing assistance in developing programs and authorities for the Military Departments to encourage military personnel to remain in service.

For almost eight years – since 9/11 – retention has remained relatively strong in the active duty force. The Marine Corps and Army met or exceeded their overall reenlistment goals each year. While the Air Force and Navy did relatively well, they did not always meet all retention goals, and their efforts were often complicated by force shaping objectives. Both Services have adjusted their retention bonus programs to better target deficient skills.

In FY 2008, Army and Navy surpassed their retention goals. The Marine Corps, although missing its first-term goal, achieved impressive levels of enlisted retention, ending with 95% against a very high retention goal. The Marine Corps increased its FY 2009 accession mission by 3,300, which should make up the shortages from FY 2008. Air Force missed its end-of-year mission in each reenlistment zone. To address this shortfall, the Air Force tripled funding for new selective reenlistment bonuses (SRBs) in FY 2009 to reconcile skill and grade imbalances caused by last year's less-than-required retention and to reduce pockets of under-manning.

Fiscal Year 2009 retention through January is strong in the active force as shown in Table 2. Nearly all Services have met or exceeded their overall retention missions. The Air Force has exceeded its Zones B and C goals, and is only slightly behind in Zone A – those facing an initial reenlistment decision.

**Table 2. Active Duty Enlisted Retention Through January 2009**

	<i>Status</i>	<i>Reenlisted</i>	<i>Mission YTD</i>		<i>FY09 Goals</i>
Army					
- <i>Initial</i>	G	14,159	7,751	183%	23,000
- <i>Mid-Career</i>	G	13,110	9,269	141%	27,500
- <i>Career</i>	G	8,296	5,055	164%	15,000
Navy					
- <i>Zone A</i>	G	4,416	4,247	104%	13,300
- <i>Zone B</i>	G	3,518	3,514	100%	9,400
- <i>Zone C</i>	G	2,150	2,080	103%	6,000
Air Force					
- <i>Zone A</i>	G	5,652	5,765	98%	17,296
- <i>Zone B</i>	G	3,341	3,297	101%	9,892
- <i>Zone C</i>	G	2,842	2,782	102%	8,346
Marine Corps					
- <i>First</i>	G	6,845	2,445	280%	7,334
- <i>Subsequent</i>	G	6,848	2,488	275%	7,464

Active duty officer retention is strong across the Services; however, there is still concern with critical shortages in certain specialties. The Army force structure growth in FY 2008 resulted in shortages among basic branch majors and captains. To address this shortage, the Army offered an incentive package as well as a cash bonus to junior officers willing to extend their contract for an additional three years. Army saw success in that more than 15,000 Captains took the incentives and cash bonuses. In lieu of the cash bonus option for the remaining portion of the fiscal year, Army is developing programs to directly commission a limited number of civilians with critical skills to ranks above lieutenant. Later in this statement, we will provide more information on our need for lateral entry authorities. The growth of the Marine Corps in 2008, to include the increase of 979 captains through FY 2011, caused an immediate shortfall within the Marine Corps junior officer force. Similar to the Army, the Marines offered a cash



bonus to any captain willing to extend for an additional year to help close the gap between the inventory of captains and mandated force structure growth.

On the other hand, the Air Force and Navy completed their force shaping downsizing programs in FY 2008; however, during this transition period both Services experienced shortages with Special Operations and Health Professionals being two of the most acute shortages. Both Services adeptly utilized the Critical Skills Retention Bonus and have targeted their shortage skills appropriately.

### ***End Strength.***

We continue to carefully manage end strength levels. Table 3 below shows the Active FY 2009 statutory authorizations and levels contemplated by the Department to achieve end strength targets in FY 2010 and beyond. As you can see, the Secretary has used authority granted to him under the terms of the President's national emergency declaration to revise strength targets appropriate to the challenges each Service is facing. The Services will manage recruiting, retention, and force shaping to remain within end strength tolerances for FY 2009.

**Table 3. Active Component End Strength Summary**

<b>Component</b>	<b>FY08 NDAA Auth</b>	<b>FY08 Actual ES</b>	<b>FY09 NDAA Auth</b>	<b>FY09 OSD Target</b>
<b>Army</b>	<b>525,400</b>	<b>543,645</b>	<b>532,400</b>	<b>547,400</b>
<b>Navy</b>	<b>329,098</b>	<b>332,228</b>	<b>326,323</b>	<b>329,000</b>
<b>Marine Corps</b>	<b>189,000</b>	<b>198,505</b>	<b>194,000</b>	<b>202,000</b>
<b>Air Force</b>	<b>329,563</b>	<b>327,379</b>	<b>317,050</b>	<b>330,000</b>

### ***Military Compensation.***

With your continued support, we have ensured that our forces are receiving fair and equitable compensation and benefits. The member's compensation and benefits package has greatly contributed to our ability to recruit and sustain our highly skilled and ready volunteer military.

The Department continues its strong commitment to provide a secure standard of living and quality of life to those who serve in uniform. We must continue to increase military pay for all Service members on par with civilian wage growth as measured by the Employment Cost Index (ECI). The Ninth Quadrennial Review of Military Compensation (QRMC) concluded that the appropriate measure of the adequacy of military compensation is the 70<sup>th</sup> percentile of earnings for civilians with comparable levels of education/experience. With the cooperation and support of Congress, the targeted pay raises of 2001 through April 2007, brought Regular Military Compensation (RMC), the equivalent of gross earnings in the private sector, to that QRMC-suggested level. Our long-term goal is to maintain this balance. We continue to be convinced that any expansion of entitlements, or the creation of new ones that do not directly and measurably improve recruiting, retention, or readiness in a manner commensurate with their cost, should be discouraged.

The Department thanks the Congress for assistance in consolidating over 60 separate pays into eight broad pay categories. Early this year, we sent you our report with the implementation plan for this transition, and we are happy that we are on our way to using more of these broader and more flexible authorities. Under this new structure, our special pays, bonuses, and recruiting and retention incentives will have highly increased focus and flexibility to target specific skills, and the quantity and quality of personnel filling those positions.

The new flexibilities in the consolidated authorities have also allowed the Department to implement certain enhancements to military pay programs. For example, under the consolidated authorities, the Department implemented the Pay and Allowance Continuation program for wounded, ill, and injured military personnel serving in a combat zone, combat operation, hostile fire area or exposed to a hostile fire event. This program ensures that *all* the special and incentive pays these members are receiving at the time of their injuries or illnesses are continued during their hospitalization and rehabilitation.

## **CONCLUSION**

The health of our All-Volunteer Force may be examined from the perspective of those serving. Through our personnel survey program, we know we have a force who believes it is

capable and ready for its wartime mission. For example, in November 2008, 82% of active-duty members indicated they believe they are personally prepared to perform their wartime mission. Significant numbers of active-duty Service members also report they plan to stay in the military. This is a crucial indicator because survey research has shown that 90% of Service members who indicate they are likely to stay actually *do* so. In November 2008, 61% of Service members indicated they were likely to stay on active duty, an increase of 3 percentage points from just three months prior, and the highest level seen since the onset of Operation Iraqi Freedom in March 2003. Active-duty spouses' support to stay – at 59% -- was about the same.

Our June 2008 survey results for Reserve components are consistent with active-duty findings. More than three-quarters (76%) of reserve component members indicated they are personally prepared to perform their wartime mission, and 69% plan to stay in the military. On a Reserve spouse survey, 78% indicated they supported their husband or wife staying in the military. With regard to deployment expectations, survey results indicate approximately two-thirds of Reservists are *not* away longer than expected, and average nights away are no longer on the rise. Results from this survey also show significant support from employers, and that mechanisms to handle employment problems are in place and working. For example, roughly three-quarters of Reservists working for employers consider their employers to be supportive of their military obligations.

Having celebrated the 35<sup>th</sup> anniversary of our All-Volunteer Force in 2008, we report that recruiting and retention are strong across all Services for the both the active and Reserve components. Much of the success of our volunteer military during good times and challenging times results directly from your continued support to the men and women who serve. Without that unflagging support from this Subcommittee, we would not be able to achieve levels of success that we have carefully and enthusiastically accomplished